

LAWRENCE BERKELEY
NATIONAL LABORATORY
WORK FORCE RESTRUCTURING PLAN

January 22, 1996

Introduction

The FY 1995-96 Work Force Restructuring Plan for the Lawrence Berkeley National Laboratory (LBNL) is submitted by the Oakland Operations Office (OAK) to satisfy the spirit and intent of Section 3161 of the National Defense Authorization Act of FY 1993 in addressing concerns and issues related to work force restructuring. The LBNL plan shall be implemented in full partnership between the Laboratory and OAK in the same manner as it was developed. OAK appreciates the assistance and consultation provided by the Department's Office of Worker and Community Transition and the Office of Energy Research. This plan will be updated annually, and as significant work force changes become necessary. It is not the intention of the Department of Energy in implementing this plan to create any private right of action or to create rights in any third parties.

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Laboratory Reduction in Force Policies

LBNL Supervisors Guide to Conducting a Reduction in Force

Lawrence Berkeley Laboratory

Lawrence Berkeley National Laboratory Work Force Restructuring Plan FY 95-96

WORK FORCE RESTRUCTURING OBJECTIVE

A work force restructuring is planned to be completed by the end of FY95, within the operations organization of the Lawrence Berkeley National Laboratory. It is estimated that this restructuring will impact 150 positions at an annual cost savings of \$6-7 million.

Significant uncertainty remains with the federal budget process for FY96. Several Laboratory programs, including Technology Transfer and In-House Energy Management are currently targeted in the Congress for significant budget reduction. When the FY96 budget is more certain, it may be necessary to adjust this work force restructuring plan.

Throughout the work force restructuring process LBNL will maintain compliance with applicable equal employment opportunity laws and related DOE directives. All efforts will be made to ensure that required involuntary reduction in force will be implemented in a manner consistent with fair and equal treatment of all employees and consistent with Laboratory and University policy and the Department's contract with the University of California.

The objectives of the work force restructuring plan for the Lawrence Berkeley National Laboratory are to mitigate the impact of involuntary reductions on affected employees and to retain a work force with the skills necessary to continue its mission of applying world class science and technology to the Department of Energy's programs.

LBNL PROFILE

The Lawrence Berkeley National Laboratory (LBNL) is operated under Contract Number DE-AC03-76SF00098.

LBNL is the oldest of the National Laboratories and for more than 60 years LBNL has maintained a tradition of outstanding research in advanced materials,

biosciences, energy efficiency, earth and environmental sciences, and the use of particle beams and detectors to understand the fundamental properties of matter.

LBNL research efforts support four business areas of the DOE:

- o Science and Technology
- o Energy Resources
- o Environmental Quality
- o Industrial Competitiveness

The Laboratory employs approximately 2444 career employees. The Laboratory is located in the San Francisco metropolitan region adjacent to the University of California at Berkeley. The Laboratory is a relatively small Bay Area employer and the proposed reduction in force will not have a significant impact on local or surrounding communities.

The Laboratory receives the majority of its funding from the U.S. Department of Energy. The Department of Energy has embarked on an extensive strategic alignment and downsizing effort. An overall goal of the DOE alignment and downsizing is to preserve the mission activities within a declining budget environment by exacting significant cuts in overhead costs. It is anticipated that further reductions in employment levels at the Department's Laboratories will be developed through implementing recommendations of the Galvin Task Force Report on the DOE National Laboratories.

Approximately one third of the LBNL operating budget is funded from overhead dollars and is used to cover indirect costs. This is a significant tax on research and programmatic dollars and must be reduced in order for the Laboratory to be competitive and to attract research dollars. The Administrative and Operational infrastructure that is funded from overhead dollars must be significantly streamlined in order to prepare for current budget realities.

LBNL Support Infrastructure

At the beginning of FY95 the LBNL Operations and Administration Divisions were merged. This merger created a structure where all Laboratory support functions are in the same organization. Within the new Operations structure reorganizations have occurred in order to:

- o Reorganize support activities around similarity of function
- o Eliminate duplicative efforts
- o Breakdown organizational "stovepipes"
- o Modernize antiquated processes
- o Reduce administrative costs

In mid-March of 1995 the Operations Division managers held a retreat to launch a total quality effort with an overall FY96 goal of developing a leaner, more responsive support structure in order to improve processes and services while reducing costs by 25%.

During the weeks following the retreat the quality objective was shared with Operations employees and the Laboratory community. Divisions, Departments and Unit meetings were held with employees in order to discuss the objectives and to obtain employee feedback.

There are 1382 employees within the Operations organization of the Lawrence Berkeley National Laboratory with a budget of \$46 million. The five Operations Divisions are shown below with the employee population for each.

OPERATIONS DIVISIONS EMPLOYEE SUMMARY

Engineering	482
Environment, Health and Safety	162
Facilities	261
Information and Computing Sciences	195
Operations	282
Total	1,382

DIRECTORATE

The Directorate, which includes the Laboratory Director's main office, Technology Transfer, Laboratory Counsel, Public Information Department and the Center for Science and Engineering Education entered reduction in force status on August 31, 1995. There are approximately 80 employees in the Directorate. By September 30, 1995, four volunteers for layoff were accepted and nine employees were involuntarily separated. Separation dates for this group range from September 29, 1995 to January 31, 1996.

RESEARCH DIVISIONS

There remains considerable uncertainty with the Congressional budget for FY96. Depending on the final outcome of the Congressional budget, Research Divisions of the Laboratory may engage in Reduction in Force activity if they lose funding for certain projects. This Restructuring Plan will be modified accordingly if the magnitude of this activity exceeds the Plan's 150 position estimate.

At this time the Energy and Environment Division (EED) is in a reduction in force status, impacting two programs within the Division. This has resulted in a reduction in force of nine career positions. Separation dates for this group range from September 30, 1995 to January 15, 1996. There are approximately 231 employees in EED.

The Nuclear Science Division has also entered reduction in force status. Two employees were accepted as volunteers for layoff and four employees will be involuntarily separated. Separation dates for this group range from October 11, 1995, to December 31, 1995. There are approximately 75 employees in this Division.

LBNL Work Force Restructuring Time Table

March 17	Operations organization's quality objective with goal of 25% cost reduction announced and discussed with employees and the Laboratory community.
April-June	Town Hall meetings: discussions/feedback with employees.
June 28	Bulletin to Operations employees announcing anticipated reduction in force status on August 1.
June 29	Announcement to Labor Unions that LBNL will enter reduction in force status.
June 30	Laboratory newsletter article announcing funding reductions and potential reduction in force status on August 1.
August 1	Call for volunteers for layoff in lieu of other employees.
August 16- September 30	Involuntary separation notices distributed.
November 1 -December 31	Separation dates for Directorate
September 29- January 31	Separation dates for the EED
September 30- January 15	Separation dates for the Nuclear Science Division

On August 1, reduction in force status was announced and the call for volunteers for layoff was issued. Employees could volunteer to be laid off in lieu of other employees. Volunteers for layoff cannot have announced retirement or termination plans prior to August 1. Volunteers are eligible for severance payment at the rate of one week of salary per one year of Laboratory service. Employees within Operations Divisions had from August 1 to August 15 to volunteer for layoff. Twenty employees were accepted as volunteers for layoff in response to the August 1, call for volunteers.

The acceptance of individual volunteers for layoff was based on operational needs, and approval was given only if the resignation would not have a detrimental effect on work in progress. Volunteers must separate on or before December 31, 1995.

Review of Vacant Positions:

As part of the restructuring effort the Laboratory is reviewing all current position vacancies and to the extent possible by business necessity the vacancies will not be filled. Within the Operations organization approximately 25 career positions that are vacant are being eliminated.

Involuntary Separations:

By September 30, 1995, 89 employees were involuntarily separated in the Operations support Divisions.

SEVERANCE COST ESTIMATE

The following voluntary and involuntary severance costs are conservatively estimated on the high side.

Estimated Projected Cost for Voluntary Incentive

$$30 \times \$1150 \times 20 = \$700,000$$

*Based on an average monthly salary estimate of \$5000 and an estimated average of 20 years of service.

Estimate of Costs for Involuntary Reduction in Force

Involuntary reduction in force notices were issued beginning August 16. In line with Laboratory policy involuntarily separated employees will receive one month's salary plus one week of severance pay for each year of Laboratory service.

$$110 \times \$925 \times 10 = \$1.0 \text{ Million}$$

*Based on an average monthly salary estimate of \$4000 and an estimated average of 10 years of service.

Additional Benefits for Involuntarily Separated Employees

Early Retirement Incentive

An early retirement incentive was not offered in FY95. There was a generous early retirement incentive program offered in FY94. The total cost of administering and funding another early retirement incentive program so soon after the 1994 program would far outweigh the benefits to be derived from mitigating the impact of involuntary separation. Further, since LBNL is part of the UC system, an early retirement program would have to be approved and administered by the University of California.

Relocation Assistance

In an effort to retain usable skills within the DOE complex, relocation assistance will be provided when a terminated employee accepts employment with another DOE contractor facility within two years after the date of the employee's separation from LBNL, provided that the facility does not provide relocation assistance. Assuming a benefit of \$5000 per employee, it is estimated that three employees would claim relocation assistance at a cost of \$15,000.

Outplacement Assistance (Also available for Voluntary Separations)

A career transition program will be offered to all involuntarily separated employees. The program is offered by Transitions Management Group, an international outplacement firm. Participants will receive an in-depth two-day workshop program that includes skills assessment, job search skills and resume preparation. Participants receive a detailed job search workbook and audio tape program and two hours of individual counseling.

LBNL is part of the nine-campus, four-medical-center, three-laboratory University of California system, which employs over 150,000 people. The Human Resources Department will help facilitate potential employment opportunities at other UC locations by distributing resume books of involuntarily separated employees to all locations.

The Human Resources Department will also facilitate the placement of involuntarily separated employees at major Bay Area employers by distribution of the resume books. A computer with a word processor and World Wide Web access as well as use of the phone, copier, fax machine and laser printer will also be made available.

It is estimated outplacement assistance costs will be \$80,000.

Retraining

Reductions in force will occur within the Operations support Divisions of LBNL. At this time, hiring within the Laboratory will be severely restricted and opportunities for transfer or reassignment will not likely exist. Every effort will be made to place involuntarily separated employees in other Laboratory vacancies in the event that Laboratory vacancies occur where involuntarily separated employees could qualify with some retraining.

Preferential Reemployment

Within the framework of LBNL policy, involuntarily separated employees retain rights to recall and preference for reemployment for up to three years from the date of layoff. Efforts will be made to place involuntarily separated employees in current and future LBNL job openings for which they are qualified. More detail is provided in the LBNL policy document included in the Appendix.

Other Benefits

Under the terms of the present management and operating contract with the University of California, the health and welfare and pension plans of the University and the Laboratory are integrated. Consequently, the flexibility that ordinarily would exist for a contractor to offer different benefits is severely restricted since both the University and Laboratory employees are entitled to the same benefits.

Involuntarily separated employees are covered under the group insurance plans through the last day of the month of separation. Employees may continue group coverage for up to 18 months following separation under the provisions of the COBRA of 1985.

Retirement Income (also available for Voluntary Separations)

Involuntarily separated employees may be eligible for retirement income or lump sum cashout under provisions for the UC Retirement Plan. Employees may also be eligible for distribution of before-and-after-tax savings accumulations.

Vacation Leave (also available for Voluntary Separations)

Employees are paid any accumulated vacation leave through the last day worked.

Unemployment Insurance

Involuntarily separated employees are eligible for the California Unemployment Insurance Program and are provided information on accessing this benefit.

Human Resources Services

Staffing. Involuntarily separated employees will meet with a Staffing Specialist who will explain recall and preferential rehire rights and how to access future job vacancies. An up - to - date resume and job application will be retained within the Staffing Unit and entered into the automated applicant database (Resumix). The regular LBNL job bulletin will be sent to employees' home addresses. External job search information and Bay Area resources will be provided.

Benefits. The Benefits Staff will meet with affected employees to explain the process for continued group insurance coverage and how to access retirement income, if eligible, as well as savings plan accumulations.

Employee/Labor Relations. Employee/Labor Relations staff will be available for employee questions or concerns relating to the layoff process and severance payments, and will facilitate complaints that may arise.

Employee Assistance Program (EAP)

The LBNL EAP provides confidential consultation and referral services to employees. Involuntarily separated employees will be provided information on how to access the EAP.

Employee and Labor Union Communications and Feedback

In mid-March, all LBNL Operations organization employees were advised of the FY 96 Operations Organization quality objective to reduce costs by 25% in an effort to make LBNL competitive for research programs. Several town hall, Division and Department-wide employee meetings were held detailing potential plans and requesting employee input and participation. Employee input has been in the form of brainstorming and participation in process improvement teams to re-engineer processes and improve efficiencies and effectiveness.

At the end of June, all Operations organization employees received a bulletin announcing the support Divisions would enter reduction in force status on August 1. Announcements were also published June 30 in the Laboratory weekly newspaper. Employees were advised that more information as well as a feedback mechanism was available through the employee's supervisor and Department Head.

Five labor unions represent potentially impacted LBNL employees:

- AFSCME Clerical and Allied Services
- AFSCME Service
- California Nurses Association
- Alameda County Construction and Building Trades (AFL-CIO)
- University Professional and Technical Employees

At the end of June union officials received written notification that LBNL would be entering reduction in force status on August 1. The unions were advised that the reduction in force will be implemented following policies and procedures outlined in applicable collective bargaining agreements and LBNL policy. Labor Relations staff as management representatives have held meetings and discussions regarding the reduction in force with union officials.

The appendix to this plan details LBNL's reduction in force policies, severance plan and benefits and services to involuntarily separated employees.

LBNL REDUCTION IN FORCE ACTIVITY SUMMARY

	Voluntary	Involuntary
Directorate	4	9
Energy & Environment	0	9
Nuclear Sciences	2	4
Operations	20	89
Total	26	111

LBNL Work Force Restructuring Cost Summary

Volunteers for layoff severance	\$460-700K
Involuntary layoff severance	\$900k - 1M
Relocation assistance	\$15K
Outplacement assistance	\$80K
Total estimated cost = \$1.45 million - \$1.8 million	